

■ African Growth and Opportunity Act

Forum Offers a Chance for Discussion of Key Issues

by Holly Vineyard

Office of the Under Secretary for International Trade

The African Growth and Opportunity Act (AGOA) entered into law on May 18, 2000, as part of the Trade and Development Act of 2000. A recent multilateral forum clearly demonstrated the legislation's positive and practical impact in strengthening ties between the United States and sub-Saharan

enhance the planned Millennium Challenge Account and its goals to encourage economic freedom, continue U.S. leadership worldwide in providing resources to defeat HIV/AIDS, and contribute toward a U.S. free trade agreement with the Southern African Customs Union.

Deputy Secretary of Commerce Samuel W. Bodman spoke at a plenary session on overcoming obstacles to trade

economy, facilitate financial market development, and expand international investment and global trade.

Immediately following the plenary discussion on the HIV/AIDS crisis, Assistant Secretary of Commerce for Trade Development Linda Conlin, joined by her co-chair, Dr. Kenneth Chebet, director of Kenya's National AIDS Control Program, led a panel discussion designed to highlight

"All of us share a common vision for the future of Africa. We look to the day when prosperity for Africa is built through trade and markets. We see a continent at peace, where the people of Africa obtain education and medical care, and live in freedom."

—President George W. Bush, in videotaped remarks presented to the AGOA Forum, January 15, 2003.

Africa. The second annual U.S.–Sub-Saharan Africa Trade and Economic Cooperation Forum (also known as the AGOA Forum) took place in Port Louis, Mauritius, January 13–17, 2003. Held in Africa for the first time, the forum had three main parts: an official government meeting, a meeting and exhibition of businesses, and a civil society program. The first AGOA Forum took place in Washington, D.C., in October 2001.

■ GOVERNMENT MEETING

U.S. Trade Representative Robert B. Zoellick led the U.S. delegation to Mauritius, and President Bush participated via a videotaped message. The president announced plans to ask the U.S. Congress to extend the African Growth and Opportunity Act beyond 2008, seek a 50-percent increase in U.S. development assistance over the next three years—which would

and investment with South African Minister of Trade and Industry Alec Erwin. Bodman reinforced President Bush's themes of good governance and economic freedom when he stressed that, in addition to looking at physical infrastructure and market access issues, AGOA delegates should focus attention on "hidden" infrastructure—such as accessible and transparent property rights systems: "I would argue, until property rights are protected for individuals in developing countries, the rights of others, especially foreign investors, will not be respected . . . and this applies to intellectual property as much as to physical property. In other words, property rights are—especially for the poor—necessary for economic growth, wealth creation, and increased living standards." That is, borrowing a page from Hernando de Soto's *Mystery of Capital*, institutional reforms empower the poor to participate in the

the links of health care, trade, and economic development in Africa. Participants from the private sector, public sector, and non-governmental organizations (NGOs) focused on ways to support and strengthen Africa's health care system through public-private partnerships. They all agreed that a country's public health has a direct impact on its economic development and its ability to attract foreign investment. An ongoing dialogue in pursuit of a resolution to the HIV/AIDS crisis is critical for the development of Africa.

■ TRADE EXHIBITION AND WORKSHOPS

Businesspeople representing approximately 1,000 firms (including nearly 200 from the United States) attended the private sector forum, which included a trade exhibition with 150 booths at the Freeport Exhibition Center as well

as 20 workshops on conducting business in Africa and the United States.

Commerce Department officials actively participated in the private sector forum. For example, Ronald N. Langston, national director of the Minority Business Development Agency, moderated a panel on strategies for business-to-business linkages. Deputy Assistant Secretary of Commerce for Textiles, Apparel, and Consumer Goods James C. Leonard III, and computer specialist Keith Daly, spoke at a workshop on the future of the African Growth and Opportunity Act. Senior Advisor to the Under Secretary for International Trade Stephanie Childs assembled a panel, moderated by staff of the U.S. Trade and Development Agency, on infrastructure issues and opportunities in sub-Saharan Africa.

NGO FORUM

The African Union, the Mauritius Council of Social Service, and several U.S. NGOs—including the Africa-America Institute, the American Bar Association, and Bread for the World—sponsored the gathering of representatives of more than 200 NGOs. Robert Perry, recently retired deputy assistant secretary of state for African affairs, emphasized the importance of NGOs to AGOA goals: “We have all witnessed development in numerous countries over the past several decades that benefited an elite in the business community and the government. That crony capitalism undermined the promise of business to improve living standards for the majority of people in developing nations, and also popular support for democracy.” Results from the NGO forum included encouraging

AGOA INFORMATION

There are 38 sub-Saharan countries eligible for tariff preferences under the African Growth and Opportunity Act. A list of eligible countries as well as resources and information on the act is available at www.agoa.gov.



Deputy Secretary of Commerce Samuel W. Bodman (second from right) participates in a panel discussion during the second AGOA Forum.

entrepreneurial training for small and medium-sized African and U.S. businesses so they might become more competitive, and ensuring that African and U.S. entrepreneurs have access to the capital necessary to allow joint ventures to take place.

THE AGOA SPIRIT

The African Growth and Opportunity Act offers tangible incentives for African countries to continue their efforts to open their economies, build free markets, and promote the rule of law and political pluralism. The act has helped to transform the economic landscape in some of the eligible countries by stimulating new trading opportunities for African businesses, creating new jobs, and helping to attract new investment in the region. The United States is sub-Saharan Africa's leading foreign investor and its largest single-country export market—and more than 92 percent of exports from AGOA countries to the United States enter duty-free.

INPUT FOR THE SACU FTA NEGOTIATIONS

The United States will begin negotiations toward a free trade agreement with the Southern African Customs Union (SACU) next month. SACU members are Botswana, Lesotho, Namibia, South Africa, and Swaziland. The U.S. Commerce Department's Office of Africa is tracking concerns about market access voiced by U.S. industry for these negotiations, as well as any ideas or comments about trade capacity building for SACU countries. For more information, contact Amanda Hilligas at (202) 482-5708 or Amanda_Hilligas@ita.doc.gov.

House Ways and Means Committee Chairman Bill Thomas, who led a congressional delegation to Africa and participated in the AGOA Forum, perhaps best summed up the intent of the AGOA legislation when he referred to it as the “Africa Go Act,” to demonstrate his support for this first U.S. trade program with Africa. To continue to build on AGOA successes, a free trade agreement with the Southern African Customs Union (SACU) will serve as a logical step in developing and deepening U.S.-African relations, and we welcome comments and ideas on the negotiations and on trade capacity building (to ensure that SACU countries have the resources to participate effectively in the negotiations and to implement the agreement). ■